



Badan Standardisasi Nasional
National Standardization Agency of Indonesia



Standard for Sustainable Development and Better Life

Understanding the Dynamics of Sustainability Standards in Emerging Market Economies

Presented by:

Ms. Konny Sagala

Head of Center for Cooperation on Standardization –
BSN

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Outline

Introduction of BSN

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Introduction

The National Standardization Agency of Indonesia (BSN)

- A non-ministry government institution
- Mandated by Act No. 20/2014 about standardization and conformity assessment (SCA) as the responsible institution for SCA activities in Indonesia
- BSN developed/established the Indonesian National Standard (SNI)
- Based in Jakarta, Indonesia



BILATERAL



REGIONAL

- *Indonesia Korea Comprehensive Economic Partnership Agreement (IKCEPA),*
- *Indonesia Chile Comprehensive Economic Partnership Agreement (ICCEPA),*
- *Indonesia Europe Union Comprehensive Economic Partnership Agreement (IEUCEPA)*

- *ASEAN Consultative Committee on Standards and Quality (ACCSQ),*
- *Asia Pacific Economic Cooperation on Sub Committee on Standards and Conformance (APEC SCSC),*
- *Pacific Area Standards Congress (PASC)*
- *Gulf Standardization Organization (GSO)*



MULTILATERAL



INTERNASIONAL

BSN as the Notification Body and Enquiry Point of Indonesia with regard to the World Trade Organization – Technical Barrier to Trade (WTO – TBT)

- International Standard Organization (ISO)
- International Electrotechnical Commission (IEC)
- Codex Alimentarius Commission (CAC)
- Currently in progress to be a member of the Standards and Metrology Institutes for Islamic Countries (SMIIC)

- Act No. 20, 2014 concerning Standardization and Conformity Assessment. In this act, BSN is the national standardization body as government body, who has responsibilities to established our national standard, SNI.
- BSN as a notification body and enquiry point in TBT WTO
- In our national system, BSN working together with related ministry to develop our national standard and we have many technical committee based on the scope. The member of technical committee must consist of producer, consumer, government and expert/academy with there is no dominant representative.

- Basically our national standard is a voluntary standard. But some of our national standard used by our technical ministry as a technical regulation. It means that the standard become mandatory standard. In our national policy, currently in our Act/Law, does not recognize private standard. But if the private standard is needed by our stakeholder, it could be proposed become our national standard as long as the process of development comply with our national system and must get consensus in our national level
- For conformity assessment, I would like to inform that in our national scheme, as mentioned in Act No. 20/2014, the certification for our national standard and technical regulation shall given by the certification body that had accredited by our national accreditation body, KAN.
- KAN have many accreditation scheme and for SS we have scheme such as organic, GHG, EnMS, sustainability forest and wood legality verification system.

MRA



- 1. Test Laboratory
- 2. Calibration Laboratory
- 3. Inspection Body
- 4. Medical Laboratory

MLA on QMS CB (PAC, 2000), (IAF, 2002)

2001 : MRA on Testing Laboratory

2003 : MRA on Calibration Laboratory

2004 : MRA on Inspection Body



MLA



- 1. Certification Body of MS
- 2. Certification Body of EMS
- 3. Products Certification Body
- 4. Food Safety Certification Body
- 5. Personal Certification Body

MLA on EMS CB (PAC, 2004), (IAF, 2007)

2009 : MLA on Products CB (PAC & IAF)

2013 : MRA on Medical Laboratory

MLA on FSMS CB (PAC, 2013), (IAF, 2015)

How far have Emerging Market Economies progressed in supporting VSS?

- This is the first time BSN invited to involve in the UNFSS activities.
- Having read the report, we would say that it is challenging to understand the background of making specific term that define voluntary sustainability standards.
- Indonesia has been a member of ISO and IEC since 1954. ISO and IEC is the largest developer of voluntary consensus-based standards. ISO covers almost all sectors of standards while IEC specific to electrotechnical standards. Indonesia through Indonesian Ministry of Information and telecommunication is also member of the International Telecommunication Union.
- Together, ISO, IEC and ITU formed World Standards Cooperation (WSC) to ensure standards developed do not overlapped each others.

Indonesia through BSN actively participate (as P-member) in the committee that developed standards related to sustainability, i.e:

- ISO/TC 207 *Environmental Management*
- ISO/TC 34/SC 18 *Cocoa* (developed standard for sustainable cocoa)
- ISO/TMB SR (developed standard guidance on social responsibility)
- ISO/TC 242 *Energy Management*
- ISO/PC 283 *Occupational health and safety management systems*
- ISO/PC 308 *Chain of Custody*
- Etc.

Some of that ISO standard had been adopted become our national standard because there is a need from our stakeholder and had approved by consensus in our technical committee.

Related with the other VSS rather than ISO standard, actually BSN had established some VSS such as agriculture organic system that we adopt from IFOAM as long as there is a need from our stakeholder and agreed by consensus in our national stakeholder

- To conclude, BSN has progressed to address sustainability issues through standardization and conformity assessment activities.
- We engaged in the international standardization forum to obtain good practices in addressing the issues.
- Currently, Indonesia is the convenor and secretary of the ISO/TC 207/SC 7/WG 7 *Frameworks standards*. The working group developed international standard ISO 14080 *Greenhouse gases management and related activities: Framework and principles for methodologies on climate actions*. This standard is developed to support the implementation of Paris Agreement. This standard will contribute to and has close relationship with sustainable development goals in terms of addressing climate change.

Which steps are required at the national level in order to increase the impact of sustainability standards?

- We adopt international standards to be our national standards for harmonization purposes. Thus we expect it will have world wide acceptance because international standards developed through double layers of consensus which are amongst international experts and amongst countries.
- To support active participation in the international standardization forum, we established National Mirror Committee (NMC). It is a committee that mirroring to certain committee of the international standardization forum.
- We have NMC for all committees in which BSN actively participates (as P-member) in the technical committee and sub technical committee (TC/SC) of ISO/IEC.
- To ensure the harmonization purposes achieved, most of member of NMC are also member of relevant national committee that developed Indonesian National Standard (SNI).

What forms of international support are the most promising, including action by private sector and multi-stakeholder initiatives?

- We identify that support in the form of capacity building and sponsorship for attending national/international TC/SC meeting are essential and promising to leverage the progress in addressing sustainability issues through SCA activities.

Capacity Building (1)

- As it known, most SCA activities in the developing countries tends to be government-driven. It also happen in Indonesia.
- We would like to encourage more participation from private sectors. This has to be done step-by-step.
- First, we'd like to boost SCA to be embedded in our national culture. Thus we expect to create demand for SCA nationally.
- When the demand available, stakeholders would see the necessity, for example, to address sustainability through SCA activities. Then, it will increase the use of SCA as the tools to address sustainability issues.
- Thus, capacity building in form of promotion and education are needed.

Capacity Building (2)

- Secondly, we've seen that engaging private sectors in the SCA activities is essential as they are one of the key player.
- We need to convince them that SCA activities would bring sustainability to their company/organization. We also need to convince them that SCA is a friendly tool that can be adjust according to their interest as it is set a minimum requirements. Therefore, they have to participate in the process to deliberate their interest.
- Thus, capacity building in form of training, assistance, counseling, mentoring, etc., are needed.

Sponsorship

- sponsorship for attending national/international TC/SC meeting are needed to facilitate stakeholders with limited resources (SMEs, NGO, etc.) to participate in the SCA activities. Thus, we expect they would have equal opportunities in deliberating their interests.

What are the benefits and the possible downsides of standards for companies and consumers and where are the limits?

Benefits of standards for Business

Standards are strategic tools and guidelines to help companies tackle some of the most demanding challenges of modern business. They ensure that business operations are as efficient as possible, increase productivity and help companies access new markets.

- **Cut costs**, through improved systems and processes
- Increase **customer satisfaction**, through improved safety, quality and processes
- **Access new markets**, through ensuring the compatibility of products and services
- Reduce their impact on the **environment**.

Benefits of standards for consumers

When products and services conform to Standards, consumers can have confidence that they are safe, reliable and of good quality.

Possible downside of standards

- If not taking into account carefully, possibly, standards could hinder innovations.
- For most users in our countries with majority of SMEs, standards implementation is hard and costly.

Where are the limits? (1)

- In this unstandardized standardization world, some parties might get benefits while others would loose.
- In order to minimize the lost, we would suggest to reduce diversity of standards use in the world. The world need to have consensus to use single standard to level the playing field.
- We understand the sequence that it might delay the time the standard published. However it worth to be done if it is for the sake of sustainability that come from idea to balance the economics, environments and social aspects.
- Sustainability aspect might be more efficient (in term of compliance assessment) if it is together embedded in the technical aspect of products, process or system.

Where are the limits? (2)

- While standards development process is considered as democratic process, it is essential to bring all stakeholders to the table and let them deliberate to decide what are good for them.
- Remember that stakeholders are the actors who practically faced issues/challenging on the field so they would have experience on how to overcome the issues/challenging. The fundamental role of the leadership of the standardization committee is to bring stakeholders to a consensus on the process.

Another Limitation (1)

- National policy related to Membership in the International Organization governs in the Presidential Decree No. 64/1999.
- All international organization membership of the Government of Indonesia (Gol) are coordinated by the Ministry of Foreign Affairs. The membership shall be evaluated at least once a year to measure the effectiveness and the impact of the membership.
- It such a long structural process as it has to go through approval of President (by establishment of at least a Presidential Decree) to be a member of international organization.
- Gol shall pay attention for the contribution that have to be made to international organization

Another Limitation (2)

- Government has priority while having limited resources.
- As explained in the beginning of the presentation that Indonesia is member of international standardization organization and signatory to the Regional and International Recognition of conformity assessment system.
- Therefore, government of Indonesia tend to support join force and work together with the international standardization and conformity assessment organization in which Indonesia has been a membership/signatory.
- With this, it would create opportunities for us to get involve in addressing sustainability issues through standardization and conformity assessment.

Another Limitation (3)

A Case Study

- We are studying a possibility to adopt a certification scheme of the GLOBALG.A.P. GLOBALG.A.P has sought and received endorsement of their Integrated Farm Assurance (IFA) scheme as a sub-scope of the IAF MLA. National Accreditation Body (KAN) is the signatory of IAF MLA.
- While using GLOBALG.A.P Certification Scheme, we are studying a possibility to certify party against ISO relevant standards. BSN is member body of ISO.
- This is another possible case of government of Indonesia's involvement in addressing sustainability issues through standardization and conformity assessment.

- **Thus we expect that if VSS involve government in their process, it should be propose to ISO standard, to make synergy between international organization, and will have world wide acceptance, because international standards developed through double layers of consensus which are amongst international experts and amongst countries.**

TERIMA KASIH THANK YOU



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